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ST. MARTIN PARISH CLERK OF COURT

Financial Report

Year Ended June 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/14/09

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KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*

Tynes E. Mixon, Jr., CPA
Allen J. LaBry, CPA
Albert R. Leger, CPA, PFS, CSA*
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Marshall W. Guidry, CPA
Alan M. Taylor, CPA
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Cheryl L. Bartley, CPA, CVA
Mandy B. Self, CPA
Paul L. Delcambre, Jr. CPA
Wanda F. Arcament, CPA
Kristin B. Dauzat, CPA
Richard R. Anderson Sr., CPA
Carolyn C. Anderson, CPA

Retired:
Conrad O. Chapman, CPA* 2006
Harry J. Clossie, CPA 2007

* A Professional Accounting Corporation

P.O. Box 250
Breau Bridge, LA 70517

Phone (337) 332-4020
Fax (337) 332-2867

OFFICES

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breau Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

408 West Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddell St.
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

621 Main Street
Pineville, LA 71360
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE:
WWW.KCSRCPAS.COM

INDEPENDENT AUDITORS' REPORT

The Honorable Allen Blanchard
St. Martin Parish Clerk of Court
St. Martinville, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. Martin Parish Clerk of Court (Clerk of Court), as of and for the year ended June 30, 2008, which collectively comprise the Clerk of Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Clerk of Court's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the St. Martin Parish Clerk of Court, as of June 30, 2008, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 14, 2008, on our consideration of the Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards, and should be considered in assessing the results of our audit.

The required supplementary information on pages 27 through 30 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The St. Martin Parish Clerk of Court has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk of Court's basic financial statements. The other supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
October 14, 2008

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Statement of Net Assets
June 30, 2008

ASSETS

Current assets:	
Cash and interest-bearing deposits	\$ 492,480
Receivables, net	55,518
Due from other governmental units	1,650
Accrued interest	1,362
Prepaid expenditures	<u>1,335</u>
Total current assets	552,345
Noncurrent assets:	
Capital assets, net	<u>170,007</u>
Total assets	<u>722,352</u>

LIABILITIES

Current liabilities:	
Accounts payable	7,926
Notes payable	<u>56,413</u>
Total current liabilities	<u>64,339</u>
Noncurrent liabilities:	
Notes payable	<u>33,711</u>
Total liabilities	<u>98,050</u>

NET ASSETS

Invested in capital assets, net of related debt	79,882
Unrestricted	<u>544,420</u>
Total net assets	<u>\$ 624,302</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Statement of Activities
For the Year Ended June 30, 2008

Expenses:	
Judiciary:	
Personal services and related benefits	\$ 1,296,244
Operating services	303,187
Material and supplies	79,507
Debt service	<u>15,655</u>
Total expenses	<u>1,694,593</u>
Program revenues:	
Licenses and permits	5,550
Fines, charges, and commissions for services	<u>1,709,583</u>
Total program revenues	<u>1,715,133</u>
Net program revenue	<u>20,540</u>
General revenues:	
Miscellaneous	<u>35,540</u>
Change in net assets	56,080
Beginning net assets	<u>568,222</u>
Ending net assets	<u>\$ 624,302</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTION - MAJOR FUND

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Balance Sheet - Governmental Fund
June 30, 2008

ASSETS

Cash	\$ 236,075
Interest-bearing deposits	256,405
Receivables:	
Accounts receivable	55,518
Due from other governmental agencies	1,650
Accrued interest	1,362
Prepaid expenditures	<u>1,335</u>
Total assets	<u>\$ 552,345</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	<u>\$ 7,926</u>
Total liabilities	<u>7,926</u>
Fund balance:	
Reserved for prepaid expenditures	1,335
Unreserved, undesignated	<u>543,084</u>
Total fund balance	<u>544,419</u>
Total liabilities and fund balance	<u>\$ 552,345</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
June 30, 2008

Total fund balance for the governmental fund at June 30, 2008		\$ 544,419
Cost of capital assets at June 30, 2008	\$ 389,019	
Less: Accumulated depreciation	<u>(219,012)</u>	170,007
General long-term debt of governmental activities is not payable from from current resources and, therefore, not reported in the funds. This debt is:		
Notes payable		<u>(90,124)</u>
Total net assets of governmental activities at June 30, 2008		<u>\$ 624,302</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund
For the Year Ended June 30, 2008

Revenues:	
Licenses and permits	\$ 5,550
Fees, charges and commissions -	
Court costs, fees and charges	173,908
Fees for recording legal documents	1,402,255
Fees for certified copies	133,421
Miscellaneous	<u>35,540</u>
Total revenues	<u>1,750,674</u>
Expenditures:	
Current -	
General government:	
Personnel services and related benefits	1,296,243
Operating services	247,185
Material and supplies	79,507
Debt service	75,829
Capital outlay	<u>2,601</u>
Total expenditures	<u>1,701,365</u>
Excess of revenues over expenditures	49,309
Fund balance, beginning of year	<u>495,110</u>
Fund balance, end of year	<u>\$ 544,419</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2008

Total net change in fund balance for the year ended June 30, 2008 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 49,309
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The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	2,601
Depreciation expense for the year ended June 30, 2008	(51,158)

Because Governmental Funds do not record fixed assets and accumulated depreciation, any assets disposed of with no selling price do not affect the statement of revenues, expenditures, and changes in fund balance. However, in the statement of activities, a gain or loss is shown on assets that are not fully depreciated.

(4,844)

Governmental funds record long-term debt in the General Long-Term Debt Account Group as opposed to recording debt activity in the fund financial statements. However, in the statement of activities, the debt and related expenses are reported.

60,172

Total changes in net assets for the year ended June 30, 2008 per Statement of Activities	<u>\$ 56,080</u>
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The accompanying notes are an integral part of the basic financial statements.

FUND DESCRIPTIONS - FIDUCIARY FUNDS

AGENCY FUNDS

Both of these funds are reflected in the totals of the agency funds presented in the statement of fiduciary assets and liabilities.

Advance Deposit Fund -

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, is used to account for advance deposits on suits filed by litigants which are accounted for on the computer system. The advances are refundable to the litigants after all costs have been paid.

Registry of Court Fund -

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, is used to account for funds which have been ordered by the court to be held until judgment has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2008

ASSETS

Cash	\$ 521,571
Interest-bearing deposits	1,514,497
Accrued interest receivable	<u>6,954</u>
Total assets	<u>\$ 2,043,022</u>

LIABILITIES

Due to litigants and others	\$ 1,047,275
Unsettled deposits	<u>995,747</u>
Total liabilities	<u>\$ 2,043,022</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the St. Martin Parish Clerk of Court (Clerk of Court) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the industry audit guide, Audits of State and Local Governments.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, a Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages and other acts, and shall have other duties and powers provided by law. A Clerk of Court is elected for a term of four years.

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official.

As an independently elected official, the Clerk of Court is responsible for the operations of his office, which include the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Clerk's office that are paid or provided by the Parish Government as required by Louisiana law, the Clerk of Court is financially independent. In addition, at the expiration of the Clerk of Court's term of office, the Clerk is required to remit to the Parish Government any balance in the Clerk's General (Salary) Fund that exceeds one-half of the revenues of the last year of the term in office.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Clerk of Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the Clerk of Court are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Clerk of Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

The major fund of the Clerk of Court is described below:

Governmental Fund -

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Clerk of Court and is used to account for the operations of the Clerk of Court's office. The various fees and charges due to the Clerk of Court's office are accounted for in this fund. General operating expenditures are paid from this fund.

Additionally, the Clerk of Court reports the following fund type:

Fiduciary Funds -

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the Clerk of Court. The funds accounted for in this category by the Clerk of Court are the agency funds. The agency funds are as follows:

Advance Deposit Fund – accounts for advance deposits on suits filed by litigants.

Registry of the Court Fund – accounts for funds which have been ordered by the court to be held until judgment has been rendered in court litigation.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

In the fund financial statements, the governmental fund utilizes the current financial resources measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. The operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. When both restricted and unrestricted sources are available for use, it is the Clerk's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Clerk of Court.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$1,000 for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	25 years
Furniture, fixtures, and equipment	5-12 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-term debt

All long-term debt to be repaid from governmental funds is reported as liabilities in the government-wide statements. The long-term debt consists of three note payables.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt is reported as other financing sources and payment of principal and interest is reported as expenditures.

Compensated Absences

Employees of the Clerk of Court's office earn 10 to 20 days of vacation leave each year depending on length of service. In addition, employees earn 10 days of sick leave each year. Vacation leave must be used in the year earned; unused vacation leave may be converted to sick leave at year end. Sick leave may be accumulated but is not paid upon termination (unless the individual is disabled or deceased). At June 30, 2008, the Clerk of Court has no accumulated leave benefits required to be reported in accordance with GASB Statement No. 16, "Accounting for Compensated Absences."

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Clerk had no equity in this classification at June 30, 2008.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

E. Budgetary and Budgetary Accounting

The Clerk of Court follows these procedures in establishing the budgetary data reflected in the financial statements:

1. A proposed budget is prepared and submitted to the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court. Such amendments were not material in relation to the original appropriations.

F. Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

G. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts by direct write-off at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable was made due to immateriality at June 30, 2008.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2008 are recorded as prepaid items. The only prepaid item that existed at June 30, 2008 was prepaid services.

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk of Court may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2008, the Clerk of Court has cash and cash equivalents (book balances) totaling \$2,528,548 of which \$2,036,068 is attributable to fiduciary funds, which is not presented in the statement of net assets.

Demand deposits	\$ 1,732,729
Time deposits	<u>795,819</u>
Total	<u>\$ 2,528,548</u>

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

These deposits are stated at cost, which approximates fair value. Custodial credit risk is the risk that in the event of a bank failure, the Clerk's deposits may not be returned to it. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at June 30, 2008, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 2,797,738</u>
Insured	\$ 600,000
Uninsured and collateral held by pledging bank not in Clerk's name	<u>2,197,738</u>
Total	<u>\$ 2,797,738</u>

(3) Due from Other Governmental Units

Amount due from other governmental units at June 30, 2008 consisted of the following:

Amount due from the Louisiana Clerk of Court - Clerk's Supplemental Fund	<u>\$ 1,650</u>
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(4) Capital Assets

Capital asset balances and activity for the year ended June 30, 2008 is as follows:

	Balance 07/01/07	Additions	Deletions	Balance 06/30/08
Buildings, furniture, fixtures and equipment	\$ 448,416	\$ 2,601	\$(61,998)	\$ 389,019
Less: Accumulated depreciation	<u>(225,008)</u>	<u>(51,158)</u>	<u>57,154</u>	<u>(219,012)</u>
Net capital assets	<u>\$ 223,408</u>	<u>\$ (48,557)</u>	<u>\$ (4,844)</u>	<u>\$ 170,007</u>

Depreciation expense of \$51,158 was charged to the general government function.

(5) Pension Plan

Plan Description. - The Clerk of Court contributes to the Clerk of Court Retirement and Relief Fund (Retirement System), a cost-sharing multiple employer defined benefit pension plan administered by the Clerk of Court Retirement and Relief Fund, a public corporation created in

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

accordance with the provisions of Louisiana Revised Statute 11:1501 - 1540 to provide retirement, disability and survivor benefits to members throughout the State of Louisiana. The Clerk of Court Retirement and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Clerk of Court Retirement and Relief Fund, 11745 Bricksome Ave., Suite B-1, Baton Rouge, Louisiana 70816.

Funding Policy - Plan members are required to contribute 8.25% of their annual covered salary and the St. Martin Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 11.75% of annual covered payroll. The contribution requirements of plan members and the St. Martin Parish Clerk of Court are established and may be amended by the Clerk of Court Retirement and Relief Fund. The St. Martin Parish Clerk of Court's contributions to the Retirement System for the years ended June 30, 2008, 2007, and 2006 were \$97,465, \$126,377 and \$112,924, respectively.

(6) Changes in Agency Fund Balances

A summary of changes in agency fund due to litigants and unsettled deposits for the year ended June 30, 2008 follows:

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Total</u>
Balance, June 30, 2007	\$ 904,905	\$ 822,481	\$ 1,727,386
Additions	1,444,929	377,393	1,822,322
Reductions	<u>(1,302,559)</u>	<u>(204,127)</u>	<u>(1,506,686)</u>
Balance, June 30, 2008	<u>\$ 1,047,275</u>	<u>\$ 995,747</u>	<u>\$ 2,043,022</u>

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

(7) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the St. Martin Parish Clerk of Court for the year ended June 30, 2008. The general obligation debt is paid by the general fund. In the past, payments on long term debt that pertained to the Clerk's governmental activities were made by the general fund.

	General Obligation
Long-term debt, June 30, 2007	\$ 150,296
Debt assumed	-
Debt retired	<u>(60,172)</u>
Long-term debt, June 30, 2008	<u>\$ 90,124</u>

Long-term debt at June 30, 2008 is as follows:

\$113,895 note payable with one initial installment of \$50,000 and monthly installments in the amount of \$1,470; interest rate of 13.5%, full maturity at June 2011.	\$ 43,322
\$44,909 note payable with monthly installments in the amount of \$2,132; interest rate of 12.840%, full maturity at December 2008.	11,017
\$62,416 note payable with monthly installments in the amount of \$2,964; interest rate of 12.885%, full maturity at July 2009.	<u>35,785</u>
Total General obligation debt	\$ 90,124
Less: Current portion	<u>(56,413)</u>
Long - term portion	<u>\$ 33,711</u>

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

The annual requirements to amortize the outstanding debt as of June 30, 2008 are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 56,422	\$ 8,184
2010	17,287	3,317
2011	<u>16,415</u>	<u>1,241</u>
Total	<u>\$ 90,124</u>	<u>\$ 12,742</u>

(8) Operating Leases

Rental expense for the year ended June 30, 2008 was \$43,896. The Clerk had the following lease agreements in effect during the year ended June 30, 2008:

<u>Description</u>	<u>Term</u>	<u>Expiration Date</u>	<u>Monthly Lease Amount</u>
Konica machine	3.25 Years	5/11	485
Konica machine	4 Years	2/09	575
Toshiba machine	4 Years	5/09	108
Mail machine	5.75 Years	7/11	345
Vehicle	2 Years	9/08	549
Konica machine	3.25 Years	8/10	425
Konica machine	3.25 Years	8/10	425

The minimum future payments for these agreements are as follows:

2009	\$ 26,911
2010	20,160
2011	11,175
2012	<u>345</u>
Total	<u>\$ 58,591</u>

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

(9) Deferred Compensation Plan

Certain employees of the Clerk participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

(10) Risk Management

The Clerk of Court is exposed to risks of loss in the areas of general and auto liability, healthcare and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year nor have settlements exceeded coverage for the past three years.

(11) Expenditures of the Clerk of Court Paid by the Parish Government

The Clerk of Court's office is located in the St. Martin Parish Courthouse. The St. Martin Parish Government pays for the upkeep and maintenance of the courthouse. These expenditures are not reflected in the accompanying financial statements.

(12) Litigation

There is no litigation pending against the Clerk of Court at June 30, 2008.

(13) Postretirement Health Care Benefits

The Clerk's office provides certain continuing health care benefits for its retired employees. Substantially all of the Clerk's employees become eligible for those benefits if they reach normal retirement age while working for the Clerk. These benefits for the 11 retirees and similar benefits for the 26 active employees are provided through a commercial insurance plan. The Clerk recognizes the cost of providing the benefits for retirees as an expenditure when the monthly premiums are due. For the year ended June 30, 2008 the amount of retiree benefit expenditures (net of participant contributions of \$36,768) approximated \$26,628.

In June 2004, The Governmental Accounting Standards Board issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefit Plans Other Than Pension Plans." The Clerk is required to implement this standard for the year ended June 30, 2010. The Clerk has not yet determined the full impact that the adoption will have on the financial statements.

**REQUIRED
SUPPLEMENTARY INFORMATION**

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 5,000	\$ 5,500	\$ 5,550	\$ 50
Fees, charges and commissions -				
Court costs, fees and charges	164,400	172,650	173,908	1,258
Fees for recording legal documents	1,370,000	1,373,550	1,402,255	28,705
Fees for certified copies	112,500	134,600	133,421	(1,179)
Miscellaneous	40,000	32,400	35,540	3,140
Total revenues	<u>1,691,900</u>	<u>1,718,700</u>	<u>1,750,674</u>	<u>31,974</u>
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	1,328,630	1,299,304	1,296,243	3,061
Operating services	302,000	236,550	247,185	(10,635)
Material and supplies	57,500	85,150	79,507	5,643
Debt service	-	75,827	75,829	(2)
Capital outlay	-	-	2,601	(2,601)
Total expenditures	<u>1,688,130</u>	<u>1,696,831</u>	<u>1,701,365</u>	<u>(4,534)</u>
Excess of revenues over expenditures	3,770	21,869	49,309	27,440
Fund balance, beginning of year	<u>482,260</u>	<u>485,347</u>	<u>495,110</u>	<u>9,763</u>
Fund balance, end of year	<u>\$ 486,030</u>	<u>\$ 507,216</u>	<u>\$ 544,419</u>	<u>\$ 37,203</u>

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues
Year Ended June 30, 2008

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Licenses and permits:				
Marriage licenses	\$ 5,000	\$ 5,500	\$ 5,550	\$ 50
Fees, charges and commissions:				
Court costs, fees and charges -				
Criminal costs	75,000	80,750	81,913	1,163
Qualifying fees	12,000	11,000	10,098	(902)
Police jury fees	36,000	36,800	38,463	1,663
UCC fees	20,000	20,500	20,114	(386)
Other	21,400	23,600	23,320	(280)
Total court costs, fees and charges	164,400	172,650	173,908	1,258
Fees for recording legal documents:				
Recordings	455,000	389,000	406,450	17,450
Cancellations	50,000	49,850	50,068	218
Mortgage certificates	40,000	39,500	39,641	141
Suits and successions	825,000	895,200	906,006	10,806
Margin penalties	-	-	90	90
Total fees for recording legal documents	1,370,000	1,373,550	1,402,255	28,705
Certified copies	112,500	134,600	133,421	(1,179)
Miscellaneous:				
Interest earned	15,000	12,700	21,748	9,048
Other	25,000	19,700	13,792	(5,908)
Total miscellaneous	40,000	32,400	35,540	3,140
Total revenues	\$1,691,900	\$1,718,700	\$1,750,674	\$ 31,974

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
Year Ended June 30, 2008

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Expenditures:				
Current -				
Personnel services and related benefits -				
Salaries:				
Clerk	\$ 74,900	\$ 119,840	\$ 119,840	\$ -
Deputy clerks	700,000	740,000	710,553	29,447
Other	-	-	31,098	(31,098)
Clerk's expense allowance	11,330	16,064	13,964	2,100
Clerk's supplemental fund	17,400	19,800	19,800	-
Group insurance	318,000	219,000	217,386	1,614
Pension and payroll taxes	134,550	119,990	99,370	20,620
Deferred compensation	72,450	64,610	84,232	(19,622)
Total personnel services and related benefits	<u>1,328,630</u>	<u>1,299,304</u>	<u>1,296,243</u>	<u>3,061</u>
Operating services -				
Professional fees	100,000	79,500	85,367	(5,867)
Insurance	8,000	7,500	7,743	(243)
Election expense allowance	-	-	2,100	(2,100)
Postage	22,000	21,000	21,319	(319)
Marriage license	4,000	3,200	3,943	(743)
Telephone	20,000	18,600	18,510	90
UCC fees	7,000	6,750	5,774	976
Travel	4,000	1,500	11,072	(9,572)
Filing fees	18,000	21,000	18,928	2,072
Repairs and maintenance	70,000	33,500	33,120	380
Police jury fees	49,000	44,000	39,309	4,691
Total operating services	<u>302,000</u>	<u>236,550</u>	<u>247,185</u>	<u>(10,635)</u>
Materials and supplies -				
Office supplies and expense	50,000	81,500	68,321	13,179
Auto maintenance	4,500	2,400	9,358	(6,958)
Dues and subscriptions	3,000	1,250	1,828	(578)
Total materials and supplies	<u>57,500</u>	<u>85,150</u>	<u>79,507</u>	<u>5,643</u>
Debt service				
Principal payments	-	75,827	60,173	15,654
Interest	-	-	15,656	(15,656)
Total debt service	<u>-</u>	<u>75,827</u>	<u>75,829</u>	<u>(2)</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>2,601</u>	<u>(2,601)</u>
Total expenditures	<u>\$ 1,688,130</u>	<u>\$ 1,696,831</u>	<u>\$ 1,701,365</u>	<u>\$ (4,534)</u>

OTHER SUPPLEMENTARY INFORMATION

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana
Agency Funds

Combining Statement of Fiduciary Assets and Liabilities
June 30, 2008

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Total</u>
ASSETS			
Cash	\$ 521,571	\$ -	\$ 521,571
Interest-bearing deposits	519,388	995,109	1,514,497
Accrued interest receivable	<u>6,316</u>	<u>638</u>	<u>6,954</u>
Total assets	<u>\$ 1,047,275</u>	<u>\$ 995,747</u>	<u>\$ 2,043,022</u>
LIABILITIES			
Due to litigants	\$ 1,047,275	\$ -	\$ 1,047,275
Unsettled deposits	<u>-</u>	<u>995,747</u>	<u>995,747</u>
Total liabilities	<u>\$ 1,047,275</u>	<u>\$ 995,747</u>	<u>\$ 2,043,022</u>

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana
Agency Funds

Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2008

	Advance Deposit	Registry of Court	Total
Balances, beginning of year	\$ 904,905	\$ 822,481	\$ 1,727,386
Additions:			
Suits and successions	1,442,444	-	1,442,444
Judgments	-	369,913	369,913
Interest	2,485	7,480	9,965
Total additions	<u>1,444,929</u>	<u>377,393</u>	<u>1,822,322</u>
Total	<u>2,349,834</u>	<u>1,199,874</u>	<u>3,549,708</u>
Reductions:			
Clerk's costs (transferred to General Fund)	905,647	-	905,647
Refunds to litigants	131,158	202,718	333,876
Other	102,371	1,409	103,780
Sheriff fees	163,383	-	163,383
Total reductions	<u>1,302,559</u>	<u>204,127</u>	<u>1,506,686</u>
Balances, end of year	<u>\$ 1,047,275</u>	<u>\$ 995,747</u>	<u>\$ 2,043,022</u>

**INTERNAL CONTROL
AND
COMPLIANCE**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
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Conrad O. Chapman, CPA* 2006
Harry J. Clossio, CPA 2007

* A Professional Accounting Corporation

P.O. Box 250
Breaux Bridge, LA 70517

Phone (337) 332-4020
Fax (337) 332-2867

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

OFFICES

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

408 West Cotton Street
Ville Platte, LA 70566
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddil St.
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

621 Main Street
Pineville, LA 71360
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE:
WWW.KCSRCPAS.COM

The Honorable Allen Blanchard
St. Martin Parish Clerk of Court
St. Martinville, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. Martin Parish Clerk of Court (Clerk of Court), as of and for the year ended June 30, 2008, which collectively comprise the Clerk of Court's basic financial statements and have issued our report thereon dated October 14, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. Martin Parish Clerk of Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Martin Parish Clerk of Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the St. Martin Parish Clerk of Court's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the St. Martin Parish Clerk of Court's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the St. Martin Parish Clerk of Court's financial statements that is more than inconsequential will not be prevented or detected by the St. Martin Parish Clerk of Court's internal control. We consider the deficiencies described in the accompanying schedule of prior and current

year audit findings and management's corrective action plan to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the St. Martin Parish Clerk of Court's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider items 08-1 and 08-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St. Martin Parish Clerk of Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted one matter that we reported to management of the St. Martin Parish Clerk of Court in a separate letter dated October 14, 2008.

The St. Martin Parish Clerk of Court's responses to the findings identified in our audit are described in the accompanying schedule of prior and current audit findings and management's corrective action plan. We did not audit the Clerk's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
October 14, 2008

ST. MARTIN PARISH CLERK OF COURT
St. Martin, Louisiana

Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan
Year Ended June 30, 2008

I. Prior Year Findings:

Internal Control Over Financial Reporting

07-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Clerk of Court did not have adequate segregation of functions within the accounting system.

Status: Unresolved. See item 08-1.

07-2 Inadequate Controls over Financial Statement Preparation

Finding:

The Clerk's office does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Status: Unresolved. See item 08-2.

Compliance

07-3 Noncompliance with Public Bid Law

Finding:

The St. Martin Parish Clerk of Court purchased computer software and equipment for approximately \$107,000. The proper bid procedures were not followed with regard to this purchase.

Status: Resolved.

(continued)

ST. MARTIN PARISH CLERK OF COURT
St. Martin, Louisiana

Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan (Continued)
Year Ended June 30, 2008

Management Letter Items

07-4 Past due accounts receivable

Finding:

During audit tests of receivables, we noted that there are two accounts that have been outstanding for over five years and total approximately \$6,400. The Clerk has received some collections on both of the accounts during the year ended June 30, 2007, which has decreased the balance from \$9,300 to \$6,400. We feel that collection efforts should continue.

Status: Partially resolved. See item 08-3.

II. Current Year Findings and Management Corrective Action Plan:

Internal Control Over Financial Reporting

08-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Clerk of Court did not have adequate segregation of functions within the accounting system.

Management's Corrective Action Plan:

Allen Blanchard, Clerk of Court, has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

08-2 Inadequate Controls over Financial Statement Preparation

Finding:

The Clerk's office does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

(continued)

ST. MARTIN PARISH CLERK OF COURT
St. Martin, Louisiana
Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan (Continued)
Year Ended June 30, 2008

Management's Corrective Action Plan:

Mr. Allen Blanchard, Clerk of Court has evaluated the cost vs. benefit of establishing Internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Management Letter Item

08-3 Past due accounts receivable

Finding:

During audit tests of receivables, we noted that there were two accounts that have been outstanding for over six years and total approximately \$5,115. The Clerk has received some collections on each of the two accounts during the year ended June 30, 2008, which has decreased the balances from a total of \$6,400 to \$5,115. We feel that collection efforts should continue.

Management's Corrective Action Plan:

Mr. Allen Blanchard, Clerk of Court, has obtained signed promissory notes from both of the individuals with outstanding balances. According to the promissory notes, payments are to be made monthly. The current balances have been reduced from the prior year balances, showing that payments are in fact being made. Mr. Blanchard is carefully monitoring these collections on a regular basis and will continue to do so until the accounts are paid in full.

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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C. Burton Kolder, CPA*
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Fax (337) 332-2867

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Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
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Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

408 West Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddil St.
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Phone (318) 253-9252
Fax (318) 253-8681

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Fax (337) 639-4568

621 Main Street
Pineville, LA 71360
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE:
WWW.KCSRCPAS.COM

MANAGEMENT LETTER

The Honorable Allen Blanchard
St. Martin Parish Clerk of Court
St. Martinville, Louisiana

We have audited the financial statements of the St. Martin Parish Clerk of Court for the year ended June 30, 2008 and submitted our report to you dated October 14, 2008.

We noted a certain area in which improvement in the financial practices of the Clerk of Court may be desirable:

During audit tests of receivables, we noted that there are two accounts that have been outstanding for over six years and total approximately \$5,115. The Clerk has received some collections on both of the accounts during the year ended June 30, 2008, which has decreased the balances from a total of \$6,400 to \$5,115. We feel that collection efforts should continue.

Should you have any questions or need assistance regarding our recommendation, please feel free to contact us.

Kolder, Champagne, Slaven, & Company, LLC

Certified Public Accountants

Breaux Bridge, Louisiana
October 14, 2008